

# BRAND LOYALTY TOWARDS ROYAL ENFIELD TWO-WHEELERS IN TIRUCHIRAPPALLI CITY.

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## Introduction

Marketing is a procedure which carries goods from end of the producer to the last or ultimate consumer. Marketing associates or connects the bridge the between consumer and producer. Thus in this logic, marketing has been highlighted as all those activities which involves in the creation of place, time and ownership or possession of the utilities or needs. Therefore , marketing is the production activity which deals in exchange relationship forming the ultimate customers for gaining satisfaction. Thus, marketing plays a very noteworthy function as one of the leading fundamentals in the managing a business. Consumer behaviour is the development of knowledge about the buying procedures, selecting methods, and clearing ideas of goods and services to satisfy the needs, or wants, of the individual customers, groups or organizations. Consumers brand loyalty towards two-wheeler sales in India reached an all-time high as of 2019, when India's auto industry has made sales nearing 21 million units, which is almost double the 2011 sales, when just 11.77 million two-wheeler units were sold in India.

## Significance of the study

In India, two-wheelers production has gained importance and had formed an integral part ranging from affordability, desire the various styles in bikes, and the reasons for buying it to ride on the Indian roads. The industry produced a total 30,915,420 vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle in April-March 2019 as against 29,094,447 in April-March 2018, registering a growth of 6.26 percent over the same period last year. The Domestic sales of Passenger Vehicles grew by 2.70 percent in April-March 2019 over the same period last year. Within the Passenger Vehicles, the sales of Passenger Cars, Utility Vehicle and Vans grew by 2.05 percent, 2.08 percent and 13.10 percent respectively in April-March 2019 over the same period last year. Thus, Two Wheelers sales registered a growth at 4.86 percent in April-March 2019 over April-March 2018. Within the Two Wheelers segment, Scooters declined by (-) 0.27 percent, whereas Motorcycles and Mopeds grew by 7.76 percent and 2.41 percent respectively in April-March 2019 over April-March 2018. In exports, the two wheelers registered a growth of 3.17 percent, 49.00 percent and 16.55 percent respectively in April-March 2019 over the same period last year. Royal Enfield sold 52,904 units in August 2019, as against 69,377 units during the same month last year, reporting a decline of 24 per cent. Meanwhile, exports soared for the manufacturer by 205 per cent last month. Royal Enfield is running hitting record sales year after year, expanding the global distribution, image and customer base, while keeping live one of the oldest line-up actually in the World. They have been able to generate values remaining “old” in a World driven by youthness. In recent years sales score is

impressive, having benefit from the boom of Indian market, where Royal Enfield is the leader in the mid-engine size motorcycles, with sales grew up from 469.741 sales in the 2012 to a record of 846.000 in the 2018. However, in the first half of the 2019 sales are well below expectations and sales have been 381.639, down a deep 16.4%. The key reason of this performance in the fall reported in India, where the brand has lost 17.3%. India represents over 96% of sales. In the other markets, the trend still is very positive and growing steadily in all regions. It shows 12.6% in ASIA (China, Japan, Korea, Taiwan), 15.8% in North America (US, Canada and Mexico) and 67% in Europe, with sales booming in the United Kingdom (153%), actually the second best market in the World, and in all markets, including Germany (58%), France (40%), Italy (25%), Spain (68%). The heritage Royal Enfield actually is a company 100% controlled by the Indian conglomerate Eicher. Located in Chennai (India) actually is among the largest motorcycles company worldwide. The story of this company, started at the beginning of the 20th century when in 1901 started to produce motorcycles. Keeping in mind the substantial growth opportunities of the two-wheeler riders among the present generation a study has been undertaken to analyze the Brand loyalty of the consumers using Royal Enfield two-wheeler in Tiruchirappalli City.

### Scope of the study

India is a global major in the two-wheeler industry and the second largest producer of two-wheelers and 13th largest producer of passenger cars in the world. The automobile sector is a key player in the global and Indian economy. Automobile is one of the largest industries in global market and being the leader in product and process technologies in the manufacturing sector, it has been recognized as one of the drivers of economic growth. During the last decade, well directed efforts have been made to provide a new look to the automobile policy for realizing the sector's full potential for the economy. Steps like abolition of licensing, removal of quantitative restrictions and initiatives to bring the policy framework in consonance with WTO requirements have set the industry in a progressive track. Two-wheeler segment is one of the most important components of the automobile sector that has undergone significant changes due to shift in policy environment. The two wheeler industry has been in existence in the country since 1955. It consists of three segments viz. scooters, motorcycles and mopeds. Finally, the two-wheeler industry in the country has been able to witness a proliferation of brands with introduction of new technology as well as increase in number of players. In the current scenario, many two wheeler companies coming up and competing with each other by providing cult looks, advanced technology and great engineering designs. The two wheeler manufacturers in India are, at present doing good business, especially in the past few years. Significantly, two wheeler models in India also get popular when they are in good price range and have other attractive features. Thus this study entitled, "Brand Loyalty of the consumers towards the Royal Enfield two-wheelers in Tiruchirappalli City, gains significance as in the current trend the younger generations prefer highly innovative technology oriented products and their aspirations are very strong towards choosing and buying the right brand of the two-wheeler. The findings of this study will be helpful to researcher scholars, academicians, stakeholders and marketers to know the present market conditions of the two-wheelers in the market.

### Objectives of the study

Following are the Objectives framed for this Research work.

1. To Portray the demographic profile of the sample respondents
2. To analyse the Brand Loyalty of the sample respondents towards Royal Enfield two-wheelers in Tiruchirappalli City.

### Research Methodology

This research work was undertaken in Tiruchirappalli town, to analyze the perceptions of the consumers about the perception of the Royal Enfield two-wheelers. Only 100 sample respondents were selected for the purpose of the study adopting Convenience sampling method. Statistical tools like Percentage analysis and Regression Analysis has been applied to find the analysis and interpretations of the data for this study.

### Analysis and Interpretations of the study

The analysis and interpretations of the study highlights the results of the study entitled, “Brand Loyalty of consumers towards Royal Enfield two-wheelers in Tiruchirappalli City. For the purpose of this study one hundred sample respondents were selected using convenience sampling method and by adopting survey method through a well structured questionnaire framed with Rensis Likert five point scale.

#### DISTRIBUTION SHOWING THE DEMOGRAPHIC PROFILE OF THE SAMPLE RESPONDENTS

Demographic factor	Particulars	Frequency	Percentage %
Age	20-30	48	40
Marital status	Married	83	69.2
Educational Qualification	UG	75	62.5
Occupation	Private Concern	65	54.2
Family type	Nuclear	73	71.5
Monthly Income	Below 50,000	86	71.1
Number of dependents	Less than 2	76	63.2
<b>Total number of sample respondents = 100</b>			

Source: Primary Data

The demographic profile of the sample respondents were examined with Percentage analysis and it proves that among 100 sample respondents, 48 (40.%) of them are the majority respondents who belong to the age group between 20- 30 years old.

In case of the marital status of the sample respondents 83 (69.2%) of them belong to married group and they are the majority sample respondents. Educational qualifications of the sample respondents show that the majority of them hold UG degree and they are the 75 (62.5%) among 100 respondents. For occupation, 65 (54.5%) respondents work in private concern and they are the majority sample respondents among one hundred respondents. 73 (71.5%) respondents out of 100 belong to nuclear family and they form the majority in case of family type. The majority

respondents are 86 (71.1%) out of 100 who belong to the group earning below 50,000 rupees p.m.76 (63.2%) respondents out of 100 respondents have less than two dependents and they are the majority in case of number of dependents in their family.

## Regression

Multiple Regressions is the determination of statistical relationship between two or more variables. In simple regression, two variables are used. One variable (independent) is the cause of the behavior of another one (dependent). When there are more than two independent variables in the analysis concerning, the relationship is known as multiple correlations and the equation describing such relationship is called as the multiple regression equation.

Multiple Regression analysis is concerned with the derivation of an appropriate mathematical expression derived for finding values of a dependent variable on the basis of an independent variable. It is thus designed to examine the relationship of a variable Y to a set of other variables  $X_1, X_2, X_3, \dots, X_n$ . the most commonly used linear equation is  $Y = b_1 X_1 + b_2 X_2 + \dots + b_n X_n + b_0$

Here Y is the dependent variable, which is to be found.  $X_1, X_2 \dots$  and  $X_n$  are the known variables with which predictions are to be made and  $b_1, b_2 \dots b_n$  are coefficient of the variables.

Multiple Regression analysis is calculated on the Brand Loyalty of the sample respondents towards the Royal Enfield two-wheelers in Tiruchirappalli City. The dependent variable is the Brand Loyalty of the sample respondents and the independent variables are Awareness, consumer preference, motivational factors, Perception, and attitude of the sample respondents towards the Royal Enfield Two- wheelers in Tiruchirappalli City are analysed and discussed as follows:

Dependent variable	:	Brand Loyalty (Y)
Independent variables	:	1.Awareness ( $X_1$ )
		2. Consumer Preference ( $X_2$ )
		3. Motivation ( $X_3$ )
		4. Perception ( $X_4$ )
		5. Attitude ( $X_5$ )
Multiple R value	:	0.748
R Square value	:	0.560
F value	:	28.964
P value	:	<0.001**

**TABLE: 4.44**

### FIVE (5) DIMENSIONS WITH THE MULTIPLE REGRESSION ANALYSIS

Variables	Unstandardized Coefficients	SE of B	Standardized Coefficients	t value	'P' value
(Constant)	12.177	4.455	-	2.734	.007
X <sub>1</sub> Awareness	.172	.141	.118	1.213	.022
X <sub>2</sub> Consumer preferences	.228	.124	.210	1.838	.039
X <sub>3</sub> Motivation factors	.084	.147	.058	.569	.001
X <sub>4</sub> Perception	.065	.090	.072	.725	.047
X <sub>5</sub> Attitude	.468	.094	.499	4.962	.000

Source: Primary Data

Note: a. Dependent Variable: Brand Loyalty

b. Predictors: (Constant), Attitude, Awareness, Perception, Motivational factors, Consumer preference

The multiple correlation coefficient is 0.172 measures the degree of relationship between the actual values and the predicted values of the brand loyalty of the sample respondents towards Royal Enfield two-wheeler bikes in Tiruchirappalli City. Because the predicted values are obtained as a linear combination of Awareness (X<sub>1</sub>), Consumer preferences about the bike, (X<sub>2</sub>), Motivational factors (X<sub>3</sub>), Perception (X<sub>4</sub>) Perception about the bike, the attitude of the bike. (X<sub>5</sub>) and the coefficient value indicate that the relationship between the brand loyalty of the sample respondents towards the royal Enfield two-wheelers in Tiruchirappalli City, and the five independent variables is quite strong and positive.

The Coefficient of Determination-square measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of R square is 0.560, which simply means that about 0.54% of the Awareness, Consumer preferences, Motivational factors, Perception, and the attitude of the bike and the brand loyalty towards the royal Enfield two-wheelers in Tiruchirappalli City, of the sample respondents as independent variables and R square value is significant at 1 % level.

The multiple regression equation is

$$Y = 12.177 + 0.172X_1 + 0.228X_2 + 0.084X_3 + 0.65X_4 + 0.468 X_5$$

Here the coefficient of X<sub>1</sub> is 0.172 represents the partial effect of the awareness, Consumer preferences, Motivational factors, Perception, and the attitude of the two-wheeler and the brand loyalty towards the royal Enfield two-wheelers holding the other variables as constant. The estimated negative sign implies that such effect is positive awareness score would increase by 0.172 for every unit increase in all five dimensions, and this awareness coefficient value is significant at 1% level.

The coefficient of X<sub>2</sub> is 0.228 which represents the partial effect of the awareness, Consumer preferences, Motivational factors, Perception, and the attitude of the two-wheeler and the brand loyalty towards the royal Enfield two-wheelers and the other variables as constant. The estimated negative sign implies that such effect is positive consumer preferences score would increase by 0.228 for every unit increase all the five dimensions and this coefficient value is significant at 1% level.

The coefficient of  $X_3$  is 0.084 represents the partial effect of awareness, Consumer preferences, Motivational factors, Perception, and the attitude of the two-wheeler and the brand loyalty towards the royal Enfield two-wheelers and the other variables as constant. The estimated positive sign implies that such effect is positive that motivational factors score would increase by 0.084 for every unit increase in all the five dimensions and this motivational factors coefficient value is significant at 1% level.

The coefficient of  $X_4$  is 0.65, representing the partial effect of awareness, Consumer preferences, Motivational factors, Perception, and the attitude of the two-wheeler and the brand loyalty towards the royal Enfield two-wheelers and the other variables as constant. The estimated negative sign implies that such effect is positive that the level of perception score would increase by 0.065 for every unit increase in perception and all five dimensions and this coefficient value is significant at 1% level.

The coefficient of  $X_5$  is 0.468 represents the partial effect of awareness, Consumer preferences, Motivational factors, Perception, and the attitude of the two-wheeler and the brand loyalty towards the royal Enfield two-wheelers and the other variables as constant. The estimated positive sign implies that such effect is positive that attitude score would increase by 0.468 for every unit increase in the attitude and this coefficient value is significant at 1% level.

Based on standardized coefficient, Brand loyalty of the consumers on the awareness (0.172), Consumer preferences(0.228), Motivational factors (0.084), Perception (0.65) and the attitude ( 0.468) of the two-wheeler and the brand loyalty towards the royal Enfield two-wheelers. The cause and effect among the variables tested is clearly portrayed in the above results.

## Conclusion

Royal Enfield India has an illustrious history in the sense that this company has been around since 1890. Known initially as Enfield Cycle Co., this company used to manufacture cycles, motorcycles, stationary engines and lawnmowers. This British company closed its business in 1971. However, this company had started the sale of Royal Enfield motorcycles in India in 1949. The Eicher Group took over the company in 1994. In 1995, India acquired the right to use the brand name. Having its production unit in Chennai, the Royal Enfield can claim the right to be the oldest and the most prestigious of motorcycle brands in India and the world as well. The Royal Enfield images itself as a reputed brand and had been the vehicle for the armed forces and the police. Hence, you can see the Police Department and the Indian Army having a large contingent of Royal Enfield motorcycles in their arsenal. There are total seventeen Royal Enfield bike models accessible, classified into six bike series. One Royal Enfield approaching bike - RE Continental GT 750 is waiting to hit the Asian country roads; it are going to be the foremost powerful RE bike and also the this Royal Enfield's value in India can fall within the vary of Rs. 3.50 to 4.00 lakh. The Royal Enfield Bullet value for its 350 cc model is that the least expensive in Asian country at Rs. 1.16 large integer in Old Delhi. Royal Enfield Continental GT 650 is that the costliest with Associate in Nursing ex-showroom value of Rs. 2.58 large integer in Old Delhi. Also, the new range of Royal Enfield colors incorporates a wide range starting from shiny redditch edition colours to Pegasus matte shades.

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